House Energy and Technology Committee Hearing December 6, 2007 Remarks of Mayor George Heartwell, City of Grand Rapids

Chairman Accavitti and members of the Committee, thank you for the opportunity to present to you today.

On November 27, on a unanimous vote, the Grand Rapids City Commission approved a green power purchase agreement with Consumers Energy. With this vote, 20% of the electric power required to turn the wheels of city government will come from renewable resource power generated by Consumers Energy in its Green Generation portfolio.

Achieving this goal is an important milestone for Grand Rapids and our State and puts us well down the pathway to a sustainable energy future.

In my 2005 State of the City address I challenged the city to attain this goal of 20% renewables by 2008. Last week, we claimed the prize of attaining the goal:

- cleaner air for our citizens to breathe,
- reduced demand on the non-renewable fuels of the globe,
- And, a measurable impact on the release of greenhouse gasses that are driving up global temperatures.

We were able to accomplish this in an exceptionally cost effective fashion in partnership with Consumers Energy. We will offset the modest cost increases for the purchase of more than 9,200 Green Blocks per month by generating substantial energy savings through energy audits and innovative investments in new equipment that will reduce energy consumption (the Turblex blowers at our Wastewater Treatment Plant are saving \$340,000 per year).

This green generation power purchase equates to 10,200 tons of carbon that will not be deposited into the air.

Put this together with the fact that 32% of our municipal vehicles run on alternative fuels and the fact that 11% of all the LEED certified buildings in the country – buildings that contribute little or no pollution to the air we breathe – are in Grand Rapids; put these facts together with 20% renewable power and life is a little bit better in Grand Rapids than it is in most places in the world.

Last week, we made history in Grand Rapids. But today this accomplishment – significant though it may be – is already history. We have turned to the future and have begun setting new goals for becoming an ever more sustainable community.

Now it is your turn to make history for our State.

Michigan is far from being an energy self-sufficient state. In the language of quality management we are extraordinarily waste-ful. We transport power from other states at significant cost to us, we do not tap the important power reserves we have right here in our backyard, and the power we produce has enormous consequences on our environment. Coal produced power not only depletes a non-renewable resource but the burning of coal in traditional power plants both pollutes the air and makes enormous demands on our Great Lakes water resources.

Our future depends upon finding sustainable means to meet our energy demand. Renewable, green, power is a key part of a power-ful future for Michigan

Green power drives an economic engine that we are only beginning to understand. Business is flowing to the cities and States that practice sustainability and use green power.

- The coastline of West Michigan the part of the state I know best has plentiful fuel blowing in every day. The potential for harvesting wind along the coastline of Michigan to generate electric power is enormous.
- Our Michigan Workforce, long known for its work ethic and efficiency and currently unemployed or under-employed, is a great asset ready to be deployed in service to this new economic sector. Renewable energy means sustainable jobs.
- According to the report, <u>Component Manufacturing</u>: <u>Michigan</u>'s Future in the <u>Renewable Energy Industry</u>, Michigan could be among the top ten states in the nation ranked by investment. This could mean creation of almost 35,000 jobs and investment in our State of \$5.5 billion (<u>Component Manufacturing</u>: <u>Michigan's Future in the Renewable Energy Industry</u>, Renewable Energy Policy Project, November 2006)
- Widespread use of renewable energy would provide significant benefits to Michigan by delivering increased energy security, reliability and efficiency
- Farming and rural communities can benefit from lease of lands for production of wind energy and from generation of power from agriculture or forestry wastes

Here's the renewable energy triple bottom line for Michigan: an economy that produces jobs for our people, builds wealth for our investors and secures a clean and sustainable future for our children's children to seven generations.

Our economic future as a State is clearly dependent on how we react today. Fail to innovate and the world will pass us by.

Today I call on the Michigan legislature to adopt a Renewable Portfolio Standard for electric power before the end of the year. It can be done. There are numerous bills pending to accomplish this objective, including those before you today.

While the Urban Core Mayors, the organization of the 13 largest cities in Michigan, favors the most aggressive of the bills under consideration, a 15% RPS by 2015, it is clearly time – no, it is past time – to adopt one of them. Support should be bi-partisan; indeed, among those concerned about the health of our citizens, our State's economy and the future of our globe, support should be unanimous.

To accomplish the State's Renewable Portfolio Standard goals will require continued strong public private partnerships like the formula we created in Grand Rapids. It will require innovation and dedication. But the prize at the end of the race is worthy of all our best efforts.

The prize will be forged through a powerful convergence of economic, social and environment forces that will pay dividends for generations. It will distinguish Michigan from other States and other nation states.

It is clear. The rewards for unlocking the chains that bind us to a future of diminishing fossil fuels will be amazing.

It is time to lead. Here. Now. Today.

Thank you for allowing me to appear before you today.

URBAN CORE MAYORS

RESOLUTION SETTING A RENEWABLE ENERGY PORTFOLIO STANDARD CHALLENGE FOR THE STATE OF MICHIGAN

WHEREAS, traditional non-renewable fossil fuel energy sources make up over 95% of the energy used in the United States; and

WHEREAS, increasing demand for fossil fuels, along with diminishing supplies, has caused energy prices to become increasingly unstable, causing Michigan energy costs to rise rapidly in three years; and

WHEREAS, money spent on renewable energy sources stays in the local economy, supports local businesses and farms and keeps petroleum dollars from leaving the country; and

WHEREAS, renewable energy is a new economic sector for Michigan investments, and the purchase of renewable energy will lead to creation of new jobs and investment in this sustainable technology which will create a competitive edge for all of Michigan; and

WHEREAS, renewable energy sources greatly reduce global warming emissions compared to fossil fuels; and

WHEREAS, renewable energy sources produce less air pollution than fossil fuel based energy and contribute to making our air cleaner and meeting EPA clean air standards; and

WHEREAS, renewable energy sources, like wind, allow for long-term, fixed-price contracts that can help to stabilize the energy budget for Michigan, its municipalities and its citizens, and can further provide a hedge against future increases in non-renewable fossil fuel energy costs;

RESOLVED, that the Urban Core Mayors sets a goal of meeting 15% of Michigan's energy demand from renewable energy by 2015; and

RESOLVED, that the Urban Core Mayors urges the State of Michigan to adopt a Renewable Portfolio Standard based on a "15 by 15" renewable energy pledge; and

RESOLVED, that the Urban Core Mayors encourages the staff of their respective communities to jointly explore available technologies for energy efficiency and renewable energy use in municipal operations in support of this renewable energy challenge and to prepare and implement a plan to reach a goal of at least 15% renewable energy for all municipal operations by 2015.

Adopted: Janyary 10, 2007, Detroit, Michigan

George K. Heartwell

Mayor, City of Grand Rapids

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Kwame M. Kilpatrick

Mayor, City of Detroit

Co-Chair